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## PALADIN LAW GROUP® LLP

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August 29, 2013

### ***Via E-Mail***

Stephen Berninger  
U.S. Environmental Protection Agency, Region IX  
75 Hawthorne Street  
San Francisco, CA 94105

Re: 104(e) Request for Information to Angeles Chemical Co, Inc. – Omega Superfund Site  
Angeles Chemical Co., Inc. Facility, 8915 Sorenson Avenue, Santa Fe Springs, CA

Dear Mr. Berninger:

In a letter dated May 29, 2013, the EPA requested, per CERCLA Section 104(e), that Angeles Chemical Co., Inc. (“Angeles”) respond to several questions concerning 8915 Sorenson Avenue, Santa Fe Springs, CA (the “Property”). Prior to the original response deadline, Angeles obtained a 30 day extension of time, and, thus, the new deadline became July 29, 2013.

Angeles later supplemented his responses on August 1, 2013. On August 16, 2013, Angeles received an email from Mr. Berninger regarding issues of confidentiality and attorney-client privilege. Following this email, a series of emails and phone calls took place between Mr. Berninger and Angeles’ counsel in order to resolve the issues presented by the EPA. Specifically, Question No. 3 regarding the proceeds of the McKesson Settlement. This letter is now submitted with all supplemental responses, including the amounts responsive to Question No. 3. It is anticipated that this information should resolve all outstanding issues with Angeles’ prior responses. Please note, this letter includes an additional document accompanying Response 6(d). All other accompanying documents have already been produced.

The following answers are responsive to the EPA’s requests:

1. State the full legal name, address, telephone number, positions(s) held by, and tenure of, the individual(s) answering any of these questions on behalf of Angeles Chemical Co., Inc. concerning the matters set forth herein.

### **Response to No. 1:**

John G. Locke, 21 E. Carrillo Street, Santa Barbara, CA 93101, (805) 898-9700. Mr. Locke has held the position of President since the creation of Angeles Chemical, which began in 1972.

2. Identify and provide copies of all property, pollution, casualty, environmental and/or liability insurance policies, and any other insurance contracts referencing the Property or facilities located at the Property, held by Angeles Chemical Co., Inc. from the time Angeles Chemical Co., Inc. began operations at, or assumed ownership of (whichever occurred earlier), the Property until the present. In identifying such policies, state:
  - a. The name and address of each insurer and of the insured;
  - b. The type of policy and policy numbers;
  - c. The effective dates for each policy;
  - d. The per occurrence policy limits of each policy;
  - e. A description of the insured's efforts to file any claims relating to soil and/or groundwater contamination at the Property, under each policy, as well as the outcome of such efforts; and
  - f. Identify all insurance brokers or agents who placed insurance for you at any time during the investigation period you identify above. Identify by name and title, if known, individuals at the agency or brokerage most familiar with your property, pollution and/or liability insurance program and the current whereabouts of each individual, if known.

**Response to No. 2:**

1. **2a:** Fireman's Fund Insurance Company ("Fireman's Fund"), 777 San Marin Drive, Novato, CA 94998, includes:

**2b-d:**

- i. Policy No. [Other Confidential], for the period January 1, 1978 to January 1, 1979. This policy is a Comprehensive General Liability policy, with limits of \$500,000 each occurrence.
- ii. Policy No. [Other Confidential], for the period January 1, 1979 to January 1, 1982. This policy is a Comprehensive General Liability policy, with limits of \$500,000 each occurrence.
- iii. Policy No. [Other Confidential], for the period January 1, 1982 to January 1, 1985. This policy is a Comprehensive General Liability policy, with limits of \$500,000 each occurrence.
- iv. Policy No. [Other Confidential], for the period January 1, 1985 to January 1, 1986. This policy is a Comprehensive General Liability policy, with limits of \$500,000 each occurrence.
- v. Policy No. [Other Confidential], for the period January 1, 1986 to January 1, 1987. This policy is a Comprehensive General Liability policy, with limits of \$500,000 each occurrence.
- vi. Policy No. [Other Confidential] for the period January 1, 1984 to January 1, 1987. This is a Property insurance policy.
- vii. Policy No. [Other Confidential] for the period January 1, 1987 to January 1, 1988. This is a Property insurance policy.
- viii. Policy No. [Other Confidential] for the period January 1, 1988 to January 1, 1989. This is a Property insurance policy.
- ix. Policy No. [Other Confidential] for the period January 1, 1987 to January 1, 1988. This policy is a General Liability – Claims-made policy.
- x. Policy No. [Other Confidential] for the period January 1, 1988 to January 1, 1989. This policy is a General Liability – Claims-made policy.

**2e:** On March 12, 2012, Angeles tendered claims on Policy Nos.: **Other Confidential** which are each referenced above. On July 1, 2013, Fireman's Fund filed a lawsuit for declaratory relief against Angeles regarding the tendered claims (Los Angeles Superior Court, Case No. BC513736).

**2f:** Max Behm & Associates, Inc.

2. **2a:** Great American Surplus Lines, P.O. Box 5370, Cincinnati, OH 45201-5370

**2b-2d:**

- i. Policy No. **Other Confidential** for the period November 1, 1976 to November 1, 1977. This policy is a Comprehensive General Liability policy, with limits of \$500,000 each occurrence.
- ii. Policy No. **Other Confidential** for the period March 18, 1978 to January 1, 1979. This is an umbrella liability policy with limits of \$2 million.
- iii. Policy No. **Other Confidential** for the period January 1, 1979 to January 1, 1980. This is an umbrella liability policy with limits of \$2 million.
- iv. Policy No. **Other Confidential** January 1, 1980 to January 1, 1981. This is an umbrella liability policy with limits of \$2 million.
- v. Policy No. **Other Confidential** January 1, 1981 to January 1, 1982. This is an umbrella liability policy with limits of \$4 million.
- vi. Policy No. **Other Confidential** January 1, 1983 to January 1, 1984. This is an umbrella liability policy with limits of \$4 million.

**2e:** On March 12, 2012, Angeles tendered claims on Policy Nos.: **Other Confidential**, which are each referenced above. Great American has denied coverage based on exhaustion of insurance funds.

**2f:** Max Behm & Associates, Inc.; H&W Insurance Services

3. EPA information indicates that in the matter of Angeles Chemical Co., Inc., et al. v. McKesson Corp., et. al. a \$4.55 million settlement was agreed to between the parties, including Angeles Chemical Co., Inc., as set forth in a Settlement Agreement effective January 5, 2010. State the amount Angeles Chemical Co., Inc. received from the allocation of settlement proceeds and provide information as to how the settlement proceeds have been spent or plan to be used.

**Response to No. 3:**

Two separate installments were received in the McKesson Settlement Agreement. First, approximately \$1.3 million was received by Angeles Chemical Co., Inc. ("Angeles") and immediately disbursed to Greve Financial Services, Inc. to be used to remediate the Property. Second, approximately \$2,349,198.50 was placed under the custody of Angeles on behalf of the company and Mr. Locke.

**Amounts incurred:**

\$452,803.00 – Income tax  
\$374,028.04 – Legal and professional fees  
\$206,443.81 – Market losses in investment account  
\$150,000.00 – Oversight costs to DTSC  
**Total: \$1,183,274.85**

**Amounts in checking, savings, or investment accounts:**

\$528,766.00 – Merrill Lynch Cash (Investment account for remediation and miscellaneous related costs)  
\$244,203.20 – Farmers & Merchant Bank (Savings account for indemnity obligations)  
\$392,954.45 – Bank of the West (Checking account for remediation and miscellaneous related costs)  
**Total: \$ 1,165,923.65**

4. Provide an estimate of Angeles Chemical Co., Inc.'s current and recent annual revenues for the past five years. Provide documentation evidencing such revenues.

**Response to No. 4:**

**Fiscal Year:**

**2009-2010:** Other Confidential

**2010-2011:** Other Confidential

**2011-2013:** No revenue due to close of operations.

5. Provide an estimate of Angeles Chemical Co., Inc.'s current assets. Provide documentation evidencing such assets.

**Response to No. 5:**

Angeles current assets are approximately Other Confidential.

6. Describe any agreement, whether written or verbal, to which Angeles Chemical Co., Inc. is a party concerning the environmental conditions, cleanup or remediation of the Property. Include a description of any ongoing obligations related to the Property. As part of your response, describe each part of the agreement not in writing; provide the name, address and telephone number of each person agreeing to that provision; and provide the date that part of the agreement was made. Provide any documents evidencing such an agreement.

**Response to No. 6:**

- a. Agreement between Angeles, John G. Locke ("Mr. Locke"), the Estate of Janyce B. Locke (the "Estate") and Greve Financial Services, Inc. ("Greve"), on the one hand, and the McKesson Corporation ("McKesson"), Harvey Sorkin, the Estate of Seymour Maslin, and the Estate of Paul Maslin, on the other. The agreement became effective on January 5, 2010. All obligations regarding this agreement have been fulfilled.
- b. Partial Consent Order entered between Mr. Locke, Angeles, and the Estate, on one hand, and the California Department of Toxic Substances Control ("DTSC"), on the other. The

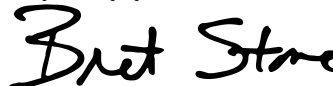
agreement was entirely in writing and became operative on January 20, 2010. All obligations regarding this agreement have been fulfilled. Parties with knowledge of this agreement include:

- i. L, R. & B., 8915 Sorensen Avenue, Santa Fe Springs, CA 90670
  - ii. Mr. John G. Locke, Privacy Act
  - iii. Mr. Robert Berg, Privacy Act
  - iv. Mrs. Donna Berg, Privacy Act
  - v. Mr. Arnold Rosenthal, Privacy Act
  - vi. Mrs. Pearl Rosenthal, Privacy Act
- c. A single agreement exists between Angeles, Mr. Locke, the Estate, and Greve. The contents of this agreement are protected under the attorney-client privilege.
- d. Agreement between Angeles, Mr. Locke, and Greve. This agreement became effective January 31, 2001. This Agreement relates to (i) debits to a line of credit of Greve maintained at Farmers & Merchants Bank to facilitate remediation (exclusive of groundwater remediation) of the Property; and (ii) to create a vehicle by which groundwater remediation at the Property could be facilitated; all in connection with the acquisition by Greve of the Property.

If you would like to discuss this matter in further detail, please do not hesitate to call.

Very truly yours,

By:



Bret A. Stone

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